

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA,

Plaintiff,

v.

ALL RIGHT, TITLE AND INTEREST IN VARIOUS
COINS OF NUMISMATIC VALUE, DESCRIBED MORE
FULLY IN ATTACHMENT “A” ANNEXED TO THIS
COMPLAINT,

Defendant-in-rem.

14-CV-3541-JPO

**CLAIM OF ISRAEL DISCOUNT BANK OF NEW YORK ASSERTING INTEREST IN
PROPERTY SUBJECT TO FORFEITURE**

Israel Discount Bank of New York (“IDB”), by and through the undersigned attorneys, hereby submits, pursuant to 18 U.S.C. § 983(a)(4) and the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, this claim asserting an interest in property subject to forfeiture, and in support thereof states as follows:

1. IDB is a banking corporation created and existing pursuant to the laws of the State of New York, with its principal place of business located at 511 Fifth Avenue, New York, New York 10017, within the Southern District of New York. It is a federally insured financial institution.

2. IDB is the exclusive owner of the Defendant-In-Rem described in Attachment A to the Complaint in the above-captioned action (Docket Nos. 2-1 and 2-2) (the “Subject Property”).

3. IDB’s interest in the Subject Property is based on the following:

- a. IDB loaned money to Republic National Business Credit LLC (“Republic”) pursuant to a revolving credit agreement between the parties (Attachment B to the Complaint in the above-captioned action, Docket No. 2-3, at 3);
- b. Pursuant to an Amended and Restated Loan and Security Agreement between IDB and Republic, IDB was granted a first priority security interest in, among other things, the property pledged to Republic to secure loans made by Republic (the “Collateral”) (Attachment B at 4);
- c. Republic entered into revolving loan and security agreements with Certified Assets Management, Inc. (“CAMI”), Don Ketterling and Vicky Lott Reid (“Lott”), in which each of them granted Republic a first priority interest in and lien on the property that each of them pledged to Republic to secure loans made to each of them by Republic (*id.* at 5–6, 9);
- d. IDB had a first priority security interest in the property pledged to Republic to secure the loans made by Republic to CAMI, Ketterling and Lott (Attachment B at 49);
- e. The Collateral included the Subject Property (*id.* at 26);
- f. Because Republic defaulted on its obligations under its credit agreement with IDB by not making required payments to IDB (*id.* at 27–28), IDB had a right to release of the Collateral to it (*id.* at 20–21, 40, 49–51), and to sell the Collateral and to retain the proceeds of such

sales, in order to satisfy the unpaid loan balance owed to IDB (*id.* at 41, 62–63);

g. As of July 10, 2012, the unpaid balance on IDB’s loan to Republic was \$11,327,488 (*id.* at 63);

h. The unpaid balance on IDB’s loan to Republic was greater than the value of the Subject Property and therefore IDB was and is entitled to full and exclusive possession and ownership of all of the Subject Property (*id.*).

WHEREFORE, IDB respectfully requests that this Court:

(a) hold any hearing that may be necessary to adjudicate IDB’s interest in the Subject Property;

(b) determine that:

(i) IDB’s right, title and interest in the Subject Property is superior to that of any other person or entity; and

(ii) IDB did not know of the conduct giving rise to the forfeitability of the Subject Property, and upon learning of such conduct, did all that reasonably could be expected under the circumstances to terminate such use of the Subject Property;

(c) enter an order granting IDB full and exclusive title to the Subject Property, free and clear of any liens, claims, encumbrances or adverse interests; and

(d) grant such other and further relief to IDB as the Court may deem just and proper.

Dated: New York, New York
June 13, 2014

Respectfully submitted,

COVINGTON & BURLING LLP

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**DECLARATION OF
RICHARD MILLER**

RICHARD MILLER declares, under penalty of perjury pursuant to 28 U.S.C. § 1746, as follows:

1. I am currently employed by Claimant Israel Discount Bank of New York ("IDB") as a Senior Vice-President. In that capacity, I am authorized to act on behalf of IDB in this action.

2. I have reviewed the Claim of Israel Discount Bank of New York Asserting Interest in Property Subject to Forfeiture (the "Claim"). The statements in the Claim are true and correct to the best of my knowledge and belief.

Executed this 9th day of June, 2014, at New York, New York.


RICHARD MILLER